Wage revision for bank employees

2057. SHRIMATI RENUBALA PRADHAN:
SHRI MANGALA KISAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the negotiations between Government and bank employees union regarding wage revision and other related matters of bank employees have concluded;

(b) if so, the salient features of the agreement reached between the two sides;

(c) whether another option for choice of pension has been given to employees who earlier not opted for it;

(d) whether this option would also be given to those who have taken voluntary retirements; and

(e) the reasons for delay in implementing the agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) The Indian Banks' Association (IBA), representing management of such Banks which have mandated it to negotiate on their behalf and the United Forum of Bank Unions (UFBU) representing 9 Associations/Union of officers/workmen employees of Banks have signed a Memorandum of Understanding (MoU) on 27.11.2009 for implementing the wage revision with effect from 01.11.2007 and extending another option to the non-optee serving employees and eligible retirees to join the Pension Scheme. Details of agreed terms will be worked out within 90 days of signing of MoU.

(e) There is no delay. As per MoU signed on 27.11.2009, the agreement is to be implemented within a period of 90 days.

Core Banking Solutions

2058. SHRI KALRAJ MISHRA:
SHRI O.T. LEPCHA:

Will the Minister of FINANCE be pleased to state:

(a) whether seven public sector banks are not in a position to provide Core Banking Solutions (CBS) to their customers;

(b) the name of these banks and the details of reasons as due to which these banks are not able to provide CBS; and

(c) by when these banks would provide CBS to their customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Indian Banks' Association has reported that all the public sector banks have implemented Core Banking Solutions (CBS). However, many of the bank are yet to connect

100% of its branches under core banking. Infrastructure constraint is one of the major bottlenecks in implementing the Core Banking Solution. It will depend upon the factors like availability of infrastructure and cost of the facility. Banks prioritise technology investments keeping in mind the business strategy.

Cheap loans to drought affected farmers

2059. SHRIMATI KUSUM RAI:
SHRI NAND KISHORE YADAV:
SHRI KAMAL AKHTAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has any plan to provide cheap loans to farmers in view of serious situation in the country due to drought and large number of suicide by farmers;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) what percentage of total loans sanctioned were given to farmers, public sector bank-wise and year-wise for last three years; and

(e) the steps taken to make banks more accountable to the poor farmers of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) In terms of the Budget announcement for 2009-10, the Government of India has approved the Interest Subvention Scheme for Short Term Crop Loans of farmers for 2009-10, with the following stipulations:

(i) Interest subvention of 2% per annum is applicable to Public Sector Banks (PSBs), Cooperative Banks and Regional Rural Banks (RRBs) on their own funds used for short term crop loans upto Rs. 3,00,000/- per farmer provided the lending institutions lend such loans @7% per annum.

(ii) An additional interest subvention @1% has been given to those prompt paying farmers who repay their short term crop loans within the period of interest subvention *i.e.* within one year of disbursement of such loans. This also implies that the prompt paying farmers would now get short term crop loans @6% per annum during the year 2009-10. This benefit would not accrue to those farmers who repay after one year of availing such loans.

(iii) Interest subvention is available to farmers from the date of disbursement till the date of repayment, subject to a maximum period of one year.

(d) The quantum of agricultural loans outstanding and its proportion to total credit outstanding during the last three years is given in the Statement-I and the details of total agricultural advances outstanding by banks during the last three years are given in the Statement-II. (*See* below)